

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, JANUARY 21, 2009**

C-1 Call to Order / Roll Call

The City Council Closed Session meeting of January 21, 2009, was called to order by Mayor Hansen at 5:30 p.m.

Present: Council Member Hitchcock, Council Member Johnson, Mayor Pro Tempore Katzakian, Council Member Mounce, and Mayor Hansen

Absent: None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

C-2 Announcement of Closed Session

- a) Conference with Dean Gualco, Human Resources Manager (Labor Negotiator), Regarding Lodi City Mid-Management Association Pursuant to Government Code §54957.6
- b) Prospective Lease of Approximately 10 Acres of Real Property Located at 12751 North Thornton Road, Lodi, California; the Negotiating Parties are City of Lodi and Starwood Energy Group; Government Code §54956.8
- c) Actual Litigation: Government Code §54956.9(a): One Case: City of Lodi v. Michael C. Donovan, an individual; Envision Law Group, LLP, et al., San Francisco Superior Court, Case No. CGC-05-441976
- d) Actual Litigation: Government Code §54956.9: One Application: Lance Hayden v. City of Lodi; WCAB #STK 214337 03/10/08

C-3 Adjourn to Closed Session

At 5:30 p.m., Mayor Hansen adjourned the meeting to a Closed Session to discuss the above matters. The Closed Session adjourned at 6:40 p.m.

C-4 Return to Open Session / Disclosure of Action

At 7:01 p.m., Mayor Hansen reconvened the City Council meeting, and City Attorney Schwabauer disclosed the following actions.

In regard to Items C-2 (a) and C-2 (b), negotiating direction was given.

Item C-2 (c) was not discussed.

In regard to Item C-2 (d), settlement authority was given to settle all current and future medical claims in the subject claim for the amount of \$100,000.

A. Call to Order / Roll call

The Regular City Council meeting of January 21, 2009, was called to order by Mayor Hansen at 7:01 p.m.

Present: Council Member Hitchcock, Council Member Johnson, Mayor Pro Tempore Katzakian,

Council Member Mounce, and Mayor Hansen

Absent: None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. Invocation - Pastor Bill Johnson, First United Methodist Church

C. Pledge of Allegiance

D. Presentations

D-1 Awards - None

D-2 Proclamations - None

D-3 Presentations

a) Presentation of Resolution of Appreciation to Martin Jones, Retiring Water/Wastewater Supervisor (PW)

Following introductory comments by Charlie Swimley, Water Services Manager, Mayor Hansen presented a Resolution of Appreciation to Martin Jones, Water/Wastewater Supervisor, who is retiring from the City after 27 years of service.

b) Presentation Regarding Youth Energy Summit (EUD)

Rob Lechner, Manager of Customer Services and Programs, gave a presentation regarding the Youth Energy Summit.

E. Consent Calendar (Reading: Comments by the Public; Council Action)

Mayor Hansen made a motion, second by Council Member Johnson, to approve the following items hereinafter set forth, **except those otherwise noted**, in accordance with the report and recommendation of the City Manager.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hitchcock, Council Member Johnson, Mayor Pro Tempore Katzakian, Council Member Mounce, and Mayor Hansen

Noes: None

Absent: None

E-1 Receive Register of Claims in the Amount of \$8,641,555.97 (FIN)

Claims were approved in the amount of \$8,641,555.97.

E-2 Approve Minutes (CLK)

The minutes of December 10, 2008 (Special Meeting), January 6, 2009 (Shirtsleeve Session), January 7, 2009 (Regular Meeting), January 13, 2009 (Shirtsleeve Session), and January 13, 2009 (Special Meeting) were approved as written.

E-3 Approve Implementation and Authorize Advertisement for Bids for Rejuvenation of 12,500 feet of Underground Electric Cable in Royal Crest Subdivision (EUD)

This item was pulled for further discussion by Council Member Johnson.

In response to Council Member Johnson, Electric Utility Director George Morrow stated there is now tried and tested technology available to rejuvenate old cable, which involves injecting polymer into the cable thereby forming a new insulation barrier for the older cable. Mr. Morrow stated the polymer through pressure injection will extend the life to as much as a new cable would and there would be a savings of approximately \$170,000.

In response to Council Member Johnson, Mr. Morrow stated there may be only a minor inconvenience to residents for the polymer application and related upgrades.

Council Member Johnson made a motion, second by Council Member Mounce, to approve the implementation and authorize the advertisement for bids for rejuvenation of 12,500 feet of underground electric cable in Royal Crest Subdivision.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hitchcock, Council Member Johnson, Mayor Pro Tempore Katzakian, Council Member Mounce, and Mayor Hansen

Noes: None

Absent: None

E-4 Approve Specifications and Authorize Advertisement for Bids for Traffic Signal Preventive Maintenance and Repair Program, Fiscal Year 2008-09 (PW)

Approved the specifications and authorized advertisement for bids for Traffic Signal Preventive Maintenance and Repair Program, Fiscal Year 2008-09.

E-5 Adopt Resolution Awarding Contract for Sacramento Street Water Main Installation Project, Lodi Avenue to Alley South of Lodi Avenue, to G&L Brock Construction, of Stockton (\$25,735) (PW)

Adopted Resolution No. 2009-05 awarding the contract for Sacramento Street Water Main Installation Project, Lodi Avenue to Alley South of Lodi Avenue, to G&L Brock Construction, of Stockton, in the amount of \$25,735.

E-6 Adopt Resolution Authorizing Additional Task Order with Treadwell & Rollo for Central Plume Monitoring and Reporting (\$121,000) (PW)

Adopted Resolution No. 2009-06 authorizing additional Task Order with Treadwell & Rollo for Central Plume monitoring and reporting in the amount of \$121,000.

E-7 Adopt Resolution Authorizing the City Manager to Enter into the Second Amended and Restated Metered Subsystem Aggregator Agreement with Northern California Power Agency and California Independent System Operator Corporation (EUD)

Adopted Resolution No. 2009-07 authorizing the City Manager to enter into the Second Amended and Restated Metered Subsystem Aggregator Agreement with Northern California Power Agency and California Independent System Operator Corporation.

E-8 Adopt Resolution Authorizing the City Manager to Allocate \$17,000 in Public Benefit Program Funds for the Lodi SHARE Verification Program and Authorizing the City Manager to Execute a Contract with the Lodi Salvation Army to Administer the Project (EUD)

Adopted Resolution No. 2009-08 authorizing the City Manager to allocate \$17,000 in Public Benefit Program funds for the Lodi SHARE Verification Program and authorizing the City Manager to execute a contract with the Lodi Salvation Army to administer the project.

E-9 Adopt Resolution Amending Section 4 of Traffic Resolution No. 97-148 by Approving Conversion from Angle Parking to Parallel Parking on West Side of Central Avenue from Eden Street to Alley North of Eden Street (PW)

This item was pulled for further discussion by Council Member Hitchcock.

In response to Council Member Hitchcock, Public Works Director Wally Sandelin stated the request did originate with the resident, there are no specific speed problems on Central Avenue, staff contacted businesses by going door to door and there were no objections, accidents were explored and the subject tenant had their vehicle damaged on two occasions, there was a similar recommendation in the eastside mobility report, and currently there are no traffic calming features for the corners.

Council Member Hitchcock made a motion, second by Council Member Mounce, to adopt Resolution No. 2009-09 amending Section 4 of Traffic Resolution No. 97-148 by approving conversion from angle parking to parallel parking on west side of Central Avenue from Eden Street to the alley north of Eden Street.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hitchcock, Council Member Johnson, Mayor Pro Tempore Katzakian, Council Member Mounce, and Mayor Hansen

Noes: None

Absent: None

E-10 Set Public Hearing for February 4, 2009, to Consider the Community Development Block Grant Program Consolidated Plan and Action Plan Development Process and to Receive Input Regarding Community Needs and Funding Priorities (CD)

Set public hearing for February 4, 2009, to consider the Community Development Block Grant Program Consolidated Plan and Action Plan development process and to receive input regarding community needs and funding priorities.

F. Comments by the Public on Non-Agenda Items THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES. The City Council cannot deliberate or take any action on a non-agenda item unless there is factual evidence presented to the City Council indicating that the subject brought up by the public does fall into one of the exceptions under Government Code Section 54954.2 in that (a) there is an emergency situation, or (b) the need to take action on the item arose subsequent to the agenda's being posted. Unless the City Council is presented with this factual evidence, the City Council will refer the matter for review and placement on a future City Council agenda.

Tom Alexander, representing the Boosters of Boys and Girls Sports (BOBS) organization, spoke in favor of the organization and its efforts with the community youth. Mr. Alexander discussed the need for additional lighted and above ground practice space in the City for soccer and other sports.

G. Comments by the City Council Members on Non-Agenda Items

Council Member Mounce clarified a misunderstanding with respect to a note received by a student who interviewed her regarding redevelopment and his findings regarding the same. City Attorney Schwabauer provided an explanation of information that is considered public when it is deliberated upon by a majority of the City Council as opposed to informational materials provided to a single member of the Council. Ms. Mounce expressed concerns regarding treatment of individuals providing public comment. Ms. Mounce also reported on her attendance at the League of California Cities meeting held in Stockton and efforts to encourage local electeds to work with the League on a variety of issues.

Council Member Johnson stated it was his opinion that anything introduced as a part of the discussion by a Council Member should be made available as public information regardless of whether there is a legal requirement to do so. Mr. Johnson requested that Mr. James McCarty provide copies of the reports referenced in his "Letter to the Editor" regarding redevelopment.

Council Member Hitchcock congratulated the Boosters of Boys and Girls Sports (BOBS) organization on its 50th Anniversary and Taj Khan on his election to the San Joaquin Delta College Board of Trustees. Ms. Hitchcock also expressed her concern with piecemealing DeBenedetti Park and suggested staff talk to those involved with the original project including the BOBS.

Mayor Hansen stated he is comfortable that the City Council respects citizen opinions provided under public comment while at the same time retaining the right to its own opinions. Mr. Hansen stated the previously referenced student writing the paper appreciated redevelopment. He commended the Lincoln Technical Academy on its efforts to provide training and encouraged the public to take advantage of the dental program as patients free of charge. Mr. Hansen also reported on his attendance at the City Selection Committee meeting to make Local Agency Formation Commission (LAFCO) appointments, the Energy Commission meeting in Lodi to discuss the new energy center, and the San Joaquin Council of Governments Executive and Project Delivery meetings where the key issues of discussion were sales tax decline and greenhouse gas emissions. He stated a special Northern California Power Agency meeting will occur to discuss portfolio standard requirements and climate policies. Mayor Hansen also congratulated Council Member Johnson on his appointment to the San Joaquin County Rail Commission.

In response to Council Member Johnson, City Manager King explained that LAFCO appointments are made on a rotational basis and it takes approximately seven years for an agency to get on the Commission. Mr. King stated the theory is that representation is based on the general area and not the individual cities represented by the makeup of the Commission, which is laid out by State law and the County.

H. Comments by the City Manager on Non-Agenda Items

City Manager King stated that providing openness and transparency for the public at all times is important to staff and as a result archived City Council meetings, and other pertinent information, may be found on the City's website. Mr. King encouraged citizens to visit the website as it is a resource of information.

I. Public Hearings

- I-1 Public Hearing to Allow Public Testimony Regarding the Resolution of Intention to Expand the (Introduce) Lodi Tourism Business Improvement District (LTBID) to Include Flag City Hotels within the Business Improvement District and Consider Introducing Ordinance Expanding the LTBID (CA)

Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Hansen called for the public hearing to allow public testimony regarding the Resolution of Intention to expand the Lodi Tourism Business Improvement District (LTBID) to include Flag City hotels within the Business Improvement District and consider introducing ordinance expanding the LTBID.

City Attorney Schwabauer provided an overview of the proposed expansion of LTBID area to include Flag City hotels. Mr. Schwabauer specifically discussed the previous two hearings and comment period, members of the district have had an opportunity for opposition, and the effective date of the proposed ordinance.

Mayor Hansen opened the public hearing.

Ann Cerney spoke in opposition to the proposed ordinance based on concerns regarding permit applications for the White Slough Water Pollution Control Facility and the effect of the upcoming State hearing.

Mayor Hansen closed the public hearing after receiving no additional comments.

City Clerk Randi Johl reported there were no protests received orally or in writing to the proposed expansion of the LTBID to include Flag City hotels.

Mr. Schwabauer stated the State is reviewing the City's permit issued by the Regional Board with respect to White Slough and that issue is not intertwined with the proposed ordinance.

In response to Council Member Hitchcock, Mr. Schwabauer stated that, even if Flag City were to some day have more hotels than the City, which is highly unlikely because the City has already committed to providing only certain sewer services to the Flag City area and resources are not available for the County to construct additional plants, the money would remain that of the Visitors' Bureau and not the City as the City receives a weighted percentage based on the Transient Occupancy Tax.

Council Member Hitchcock made a motion, second by Council Member Johnson, to introduce Ordinance No. 1818 amending Lodi Municipal Code Title 12 Streets, Sidewalks, and Public Places by repealing and reenacting Chapter 12.07 relating to the Lodi Tourism Business Improvement District (LTBID).

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hitchcock, Council Member Johnson, Mayor Pro Tempore Katakian, Council Member Mounce, and Mayor Hansen

Noes: None

Absent: None

J. Communications

J-1 Claims Filed Against the City of Lodi - None

J-2 Appointments

- a) Appointments to the Lodi Animal Advisory Commission (Thomas J. Carleton, Susan Blackston, Linda Castelanelli), Lodi Improvement Committee (Tim Mustin), Senior Citizens Commission (Mark Sey), and Recreation Commission (David Akin, Larry Long) (CLK)

Council Member Mounce made a motion, second by Council Member Hitchcock, to make the following appointments:

Lodi Animal Advisory Commission

Thomas J. Carleton, Term to expire December 31, 2010
Susan Blackston, Term to expire December 31, 2011
Linda Castelanelli, Term to expire December 31, 2011

Lodi Improvement Committee

Tim Mustin, Term to expire March 1, 2011

Senior Citizens Commission

Mark Sey, Term to expire December 31, 2012

Recreation Commission

David Akin, Term to expire December 31, 2012
Larry Long, Term to expire December 31, 2012

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hitchcock, Council Member Johnson, Mayor Pro Tempore Katzakian, Council Member Mounce, and Mayor Hansen

Noes: None

Absent: None

Mayor Hansen thanked Judy Bader for her years of service on the Senior Citizens Commission.

b) Reappointments to the San Joaquin County Flood Control and Water Conservation District - Water Advisory Commission (CLK)

Council Member Mounce made a motion, second by Council Member Hitchcock, to make the following reappointments to the San Joaquin County Flood Control and Water Conservation District - Water Advisory Commission: Phil Katzakian, Delegate, and Wally Sandelin, Alternate.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hitchcock, Council Member Johnson, Mayor Pro Tempore Katzakian, Council Member Mounce, and Mayor Hansen

Noes: None

Absent: None

J-3 Miscellaneous

a) Monthly Protocol Account Report (CLK)

Council Member Mounce made a motion, second by Council Member Johnson, to approve the cumulative Monthly Protocol Account Report through December 31, 2008.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hitchcock, Council Member Johnson, Mayor Pro Tempore Katzakian, Council Member Mounce, and Mayor Hansen

Noes: None

Absent: None

K. Regular Calendar

K-1 Adopt Resolution Authorizing Purchase Agreement for City-Owned Property at 217 East Lockeford Street (CM)

NOTE: Due to a potential conflict of interest based on a real estate matter through his spouse, Mayor Pro Tempore Katzakian abstained from discussion and voting on this matter and vacated his seat at the dais.

City Manager King briefly introduced the subject matter of the purchase agreement for property located at 217 East Lockeford Street. Mr. King specifically discussed the current status and proposal for the sale of the City-owned property on Lockeford Street, the previously adopted resolution for the sale of certain assets, the Planning Commission finding of consistency with the General Plan, offer to sell the property to the Eagles Lodge, the sale terms including a purchase price of \$355,000 total cash transaction with a \$10,000 deposit amount, provision regarding if pertinent entitlements are not provided by August that the sale would be terminated and deposit returned, broker fees to be paid out of the sale proceeds, and the application as General Fund revenue.

In response to Council Member Hitchcock, Mr. Schwabauer provided an overview of the surplus property process, including inventory of the property and making a finding stating it is surplus property. Mr. Schwabauer stated the subject property is not surplus property because it has not been declared as such and has not gone through the relevant process. Mr. Schwabauer stated that, while the property was not put out to bid as surplus property, notice was provided to brokers that the property was available.

In response to Council Member Hitchcock, Mr. King stated general notice was given to commercial brokers and a year later a specific broker was used to market the eight-acre property.

In response to Council Member Hitchcock, Mr. Schwabauer stated an appraisal was completed some time ago and a zoning change option may apply. Interim Community Development Director Rad Bartlam stated it would be up to the Eagles Lodge to determine what kind of a zoning change they may need because they may not need one depending upon where they build.

In response to Council Member Hitchcock, Mr. Bartlam stated there is a M1 designation on both sides and it is possible that this is the designation the Lodge may seek. Mr. Schwabauer stated the term is only applicable to zoning that is required to build, not preferred.

In response to Council Member Johnson, Mr. King stated several properties were previously put out to the public including the subject property, general interest has dwindled over time, and the property values have declined since the appraisal.

General discussion commenced between the City Council regarding the surplus process, utilization of the MLS for commercial properties, the comfort level with public exposure of the availability of the property, and the process for the proposed sale.

In response to Council Member Mounce, Mr. Schwabauer stated the property was forfeited to the City through a foreclosure on a lien and he was not sure of what the cost was to demolish the previous damaged structure on the site.

Wayne Craig of Craig Realty provided an overview of the proposal. Mr. Craig specifically

discussed the original contact with the City for the property for a Department of Motor Vehicles (DMV) relocation, the site was too small for DMV, Ms. Katzakian's referral of the clients and not the property, approach to City of Eagles concept for lodge site, original offer and counter offer proposals, consideration before Council now, sensitivity to the openness of the process, and the Eagles intent to only build in proposed areas which may not require additional zoning.

In response to Mayor Hansen, Mr. Craig stated the current concept is to build a 5,000 square foot lodge, landscape the larger area for an outside area, and construct a parking area.

In response to Council Member Hitchcock, Mr. Craig stated Reynolds Ranch is not involved in any way with the current Eagles Lodge proposal.

In response to Ann Cerney, Mr. Schwabauer provided an overview of the surplus process, stating the process does not require an MLS listing or specific methods for advertising of the property.

Mayor Hansen made a motion, second by Council Member Mounce, to adopt Resolution No. 2009-10 authorizing the purchase agreement for City-owned property at 217 East Lockeford Street.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, and Mayor Hansen

Noes: Council Member Hitchcock

Abstentions: Mayor Pro Tempore Katzakian

Absent: None

K-2 Adopt Resolution Approving Consultant Services Contract with Konradt Bartlam to Serve as Community Development Director (CM)

City Manager King briefly introduced the subject matter of the proposed agreement with Konradt Bartlam to serve as Interim Community Development Director for a term of 12 months at \$90 per hour for a minimum of 24 hours per week with office hours Tuesday through Thursday and attendance at Planning Commission and City Council meetings as necessary while being available for other tasks. Mr. King stated the contract amount is in the budget.

Council Member Mounce stated she will not be voting in favor of the agreement because she would like Mr. Bartlam to be employed full-time as an employee of the City.

Mayor Hansen made a motion, second by Mayor Pro Tempore Katzakian, to adopt Resolution No. 2009-11 approving consultant services contract with Konradt Bartlam to serve as Community Development Director.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hitchcock, Council Member Johnson, Mayor Pro Tempore Katzakian, and Mayor Hansen

Noes: Council Member Mounce

Absent: None

K-3 Discuss and Endorse Potential Economic Stimulus Projects (CM)

City Manager King provided an overview of the federal government economic stimulus package and proposed response to a request for "shovel-ready" projects.

Deputy City Manager Jordan Ayers specifically discussed the process of collecting a list of "shovel ready" projects from various departments, estimates related to the proposed projects, job stimulation numbers, the lack of a clear understanding of exactly what type of funding may be available and the strings attached, review of the projects and overall statistics for job creation, and project affects on the community.

In response to Council Member Mounce, Mr. Ayers stated the \$31 million estimated figure was a combined total from Public Works and Parks and Recreation. Mr. King stated the Council to date has looked at the Americans with Disabilities piece and the \$31 million figure likely represents the complete renovation number. Mr. Ayers confirmed that the \$31 million figure was likely the "pie in the sky" number for the entire facility.

In response to Mayor Pro Tempore Katzakian, Mr. Ayers stated the City's deadline for submission is January 30, 2009, and follow-up dates have not yet been provided to the City.

In response to Council Member Johnson, Mr. King stated in addition to the San Joaquin Partnership the City has also received similar requests from the National League of Cities and for the One Voice trip.

Mayor Hansen and Council Member Hitchcock suggested listing the Lodi Lake embankment improvements as a separate project.

Council Member Mounce made a motion, second by Council Member Hitchcock, to endorse the potential Economic Stimulus projects as recommended and set forth the Lodi Lake embankment project as a separate project.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hitchcock, Council Member Johnson, Mayor Pro Tempore Katzakian, Council Member Mounce, and Mayor Hansen

Noes: None

Absent: None

K-4 Direct City Manager to Research and Recommend Leveling Mechanism for the Energy Cost Adjustment (ECA) and, in the Interim, to Implement a Maximum Level for the ECA of \$0.025 per Kilowatt-Hour Beginning in February 2009 (EUD)

City Manager King briefly introduced the subject matter of the Energy Cost Adjustment (ECA).

Electric Utility Director George Morrow provided a PowerPoint presentation regarding the ECA. Mr. Morrow specifically discussed what is the ECA, Fitch report excerpt, Standard & Poors excerpt, LODI ECA, simplified formula, ECA variability, issue of exceeding upper range, actual ECA to date, ECA levels, cap impact, and recommendation regarding the same.

In response to Council Member Hitchcock, Mr. Morrow stated the ECA trend should remain the same for the next year or so and then should get lower as the debt service is paid off. Mr. Morrow stated the ECA collects for normal sales about \$39.5 million and this year it has to collect more because there was only so much in the base.

In response to Council Member Hitchcock, Mr. Morrow stated individuals that do not pay their bills are not factored into the ECA, as there is a separate accounting for that.

Discussion ensued between Council Member Johnson and Mr. Morrow regarding the Market Cost Adjustment first being created when the market was highly unpredictable, currently 90% to 95%

of energy is bought before it is needed on the market, the variable with the Northern California Power Agency (NCPA), how much flexibility is actually needed in light of what is knowingly being purchased, the monthly variable of a price, and the ECA not necessarily representing the purchase power alone.

In response to Council Member Johnson, Mr. Morrow stated there is a need for some predictability, smoothing will help provide budgeting, currently the cost for January is collected in January, and the financial community approving of the City's cash not being floated.

City Manager King provided an overview of the proposed recommendation before the City Council to review the ECA increases and consider a cap while staff does further research.

In response to Mayor Pro Tempore Katzakian, Mr. Morrow confirmed that usage is a big fluctuation factor, some costs vary monthly, typical summer and winter sales vary by kilowatt basis, and the cap proposal buys staff some time to look at other ideas to minimize increases in the summer bills.

In response to Mayor Pro Tempore Katzakian, Mr. Morrow stated the open position is generally larger in low low periods, averaging 5% to 10 %, and the actual costs predicted on a monthly basis will be very close to NCPA budget.

In response to Council Member Hitchcock, Mr. Morrow stated there is a comfort level with the rating agencies when the Electric Utility collects as it charges.

In response to Council Member Mounce, Mr. Morrow stated he is not aware of what other communities are specifically doing and in his past experience jurisdictions have had this type of a monthly program. Council Member Mounce asked staff to review what other communities do with respect to smoothing.

In response to Council Member Johnson, Mr. Morrow confirmed that the request was to allow staff to explore options and consider a cap in the meantime. Mr. Johnson stated he is not sure about implementing a cap pending review.

John Johnson spoke in opposition to the cap, stating it is important for the Electric Utility to remain healthy and keep its reserve in place and recover its costs. Mr. Johnson stated he would like to see some sort of a planning tool for the residential model, with a review system quarterly, monthly, or annually and estimates should be provided to the public accordingly. Council Member Hitchcock suggested providing notice to the public as well through the bill or in some other manner. Council Member Mounce suggested some sort of conservation alert.

In response to Council Member Mounce, Mr. Johnson and Mr. Ayers stated they will forward a copy of the minutes from the Budget and Finance Committee meetings to the City Council.

Mayor Hansen and Mayor Pro Tempore Katzakian suggested the cap is a good measure for residents pending staff review of other options to keep the ECA stabilized.

Eunice Friederich spoke regarding her concerns for residents on the east side of town who are on fixed incomes and cannot afford to utilize, or do not have centralized air and heating, because of the rising cost of electricity.

Council Member Johnson made a motion, second by Council Member Hitchcock, to direct the City Manager to research and recommend leveling mechanism for the ECA.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hitchcock, Council Member Johnson, and Council Member Mounce

Noes: Mayor Pro Tempore Katzakian, and Mayor Hansen

Absent: None

K-5 Review and Endorse Economic Development/Owner Participation Policies and Conceptual Three-Year Program Budget for the Lodi Community Improvement Project (CM) NOTE: Joint action of the Lodi City Council and Redevelopment Agency

This item was continued to the next regularly scheduled meeting of February 4, 2009, as the first item on the Regular Calendar.

K-6 Approve Expenses Incurred by Outside Counsel/Consultants Relative to the Environmental Abatement Program Litigation and Various Other Cases being Handled by Outside Counsel (\$119,670.48) (CA)

In response to Council Member Hitchcock, Mr. Schwabauer stated the individual expert references include those who will testify regarding environmental law, ethics, and finance.

Council Member Hitchcock made a motion, second by Council Member Mounce, to approve expenses incurred by outside counsel/consultants relative to the Environmental Abatement Program litigation and various other cases being handled by outside counsel in the amount of \$119,670.48, as detailed further in the staff report.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hitchcock, Council Member Johnson, Mayor Pro Tempore Katzakian, Council Member Mounce, and Mayor Hansen

Noes: None

Absent: None

L. Ordinances - None

M. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 11:00 p.m.

ATTEST:

Randi Johl
City Clerk